

Strategic Business Plan Outreach Results and Recommendations

April 22, 2014

Seattle
 Public
Utilities

Outreach Goals

- 1) Learn more about customer preferences by community and customer type and begin an ongoing dialog with customers.
- 2) Expand outreach so that all communities are heard
- 3) Help customers understand the complexity and value of the services SPU delivers.
- 4) Determine what potential focus areas and actions customers believe SPU should focus on between now and 2020.
- 5) Evaluate which billing level customers can support.
- 6) Benchmark customers current depth of support for SPU.

Outreach Process

- Conducted 3 pilot outreach sessions in November 2013.
- Conducted 14 neighborhood and community group outreach sessions January-March 2014.
 - Supported by trained SPU teams of note takers and facilitators.
- Conducted online surveys between January and March, 2014.
- Received extensive input from Elected Officials and the Customer Panel.
- Fielded extensive marketing including public relations, advertising and social media.

Summary

- Customers favored the 4.9% increase with large majorities, but this is not the whole story.
- Several customer themes re-occurred throughout the Outreach including **investing in the future, efficiency, equity, partnership, environment and health.**

Themes

Several themes emerged from the customer feedback:

1. **Investing for the future.** Invest to ensure continued high quality services in the face of population growth, climate change, and aging infrastructure.
2. **Efficiency.** Demonstrate how the Utility is continually becoming more efficient to keep bills affordable.
3. **Equity.** Ensure that all communities are respected , have full access to all SPU services and are effectively engaged.
4. **Partnership.** Demonstrate the Utility's constraints and value with transparency; explain how SPU is improving services and the benefits of partnering with SPU. Develop continuing education and customer involvement that promote saving money/improving health and environment.
5. **Environment and health.** Explain how the Utility is protecting health and improving the environment.

Conclusions: Billing Levels

- When given a choice between 4.3% and 4.9%, 68% of customers selected the 4.9% increase.
 - Customers strongly indicated that if SPU is going to raise rates, there must be improvements.
 - Many felt that population growth, protecting the environment and maintenance were justifiable reasons to raise rates.
- There was very little customer support for the 4.3% increase even by people who voted for it—this group felt that both increase levels were too high.
- Most underserved groups and all other in-person groups voted for the 4.9% increase at a much higher level than online customers.
 - African Americans were evenly split and a large majority of Somali customers preferred no increase. These groups had low levels of trust that improvements would benefit their communities.

Focus Area Percentages

FOCUS AREA	CUSTOMER RESPONSE
Improving how we work to deliver consistent, high quality services	35%
Better protecting your health and our environment	36%
Enhancing our services by improving employee skills	15%
Making it easier to get help and answers	14%

Note: Customers were given 10, \$10 bills and asked to invest them in the focus areas they felt were most valuable.

Focus Areas: Conclusions

Focus area results were very similar among most customer groups. Here are some standouts:

- All underserved groups placed a high value on *protecting your health and our environment* and community building.
- Latino and Vietnamese groups placed a higher emphasis on *enhancing our services by improving employee skills*.
- African-Americans, Chinese, Latino and low income groups also rated *making it easier to get help and answers* higher than other groups.
- Businesses placed a very high emphasis on *improving how we work*.
- Environmentalists and youth placed a very high emphasis on *better protecting your health and our environment*.

Note: Certain groups interpreted *improving how we work* as including customer service and other improvements related to *making it easier to get help and answers*.

Action Plans

ACTION PLAN	CUSTOMER VOTES
Eliminate sewage being released into waterways	14% In-person 17% Online
Replace and clean sewer pipes	12% In-person 15% Online
Prepare for climate change	11% In-person 11% Online
Improve data and how projects are managed	9% In-person 10% Online
Develop employees' skills	9% In-person 3% Online
Upgrade to smart meters	9% In-person 13% Online
Reduce flooding in hardest hit areas	9% In-person 9% Online
Improve worker safety and reduce absences	8% In-person 4% Online
Monthly billing and online payment options	5% In-person 6% Online
Improve website and mobile	5% In-person 3% Online
Reduce garbage pick-up	4% In-person 6% Online
Streamline permitting; improve bill accuracy	4% In-person 3% Online

Note: Customers were given 10 green dots (in-person) or 10, \$10 bills online and asked to use them on the action plans they felt were most valuable.

Recommendations

- Because effective methods for engaging customers and the services they require vary widely, consider customer segmentation strategies.
- Fund improvements, but tie improvements to value—particularly around services and benefits to specific communities.
- Explain improvement and baseline costs.
- Keep ‘finding efficiencies’ and ‘saving money’ front and center.
- Provide clearer communications around why certain action plans—such as improving the website and employee safety—should be important to customers.
- Develop comprehensive education around SPU, its promise and approach:
 - Continually update customers on how the SBP actions are improving their lives.
 - The value and benefits of customer participation.
- Determine economic value of customer participation in recycling, storm drain clearing, rain gardens, etc.
- Simplify bills and better explain SPU value on bills.

Underserved Community: General Recommendations

- Build trust through partnership and by demonstrating results for each specific community.
- Customers are eager to learn about SPU services, be stewards for the environment and be a resource for their communities.
 - Communities-suggested ideas: Peer-to-peer or workplace education efforts.
- Create and deliver targeted comprehensive communications and education programs to reach low income, seniors, communities of color and limited-English-proficiency communities.
 - Deliver proactive, ongoing programs that emphasize long-term relationships and community building around both CIP and non-CIP efforts.
 - Involve youth in apprenticeships, and summer employment. Recruit/outreach to low income and communities of color.
 - Deliver programs directly to communities or wherever communities already gather.
- Create customer service initiatives that respond to community needs.
 - Improve phone-based customer service including multi-lingual access.
 - Work with landlords for maintenance and property upgrades for conservation and bill management.
 - Address barriers to utility assistance enrollment and needs for seniors, low income and renters.

Schedule

Outreach Findings Reporting:

- Customer Report Back/Second Outreach:
June/July

Handouts

Online Demographics

Seattle Public Utilities Outreach

Ethnic Background

White	71.5%
Latino	3.7%
Black or African American	3.1%
American Indian or Alaska Native	2.0%
Chinese	1.5%
Filipino	1.1%
Vietnamese	9.0%
Other Asian/Pacific Islander	3.7%
Don't know	.4%
Decline to answer	19.3%
Other	2.8%

Household Size

1	15.5%
2	44.4%
3	15.5%
4	14.2%
5 or over	5.0%
Decline to answer	5.4%

Household Income

Under \$30,000	3.9%
\$30,000 - \$39,999	3.5%
\$40,000 - \$49,999	4.4%
\$50,000 - \$59,999	5.6%
\$60,000 - \$74,999	10.0%
\$75,000 - \$100,000	16.3%
\$100,00 and over	30.9%
Decline to answer	25.4%

City of Seattle 2010 Census

Ethnic Background

White	69.5%
Latino	6.6%
Black or African American	7.9%
American Indian or Alaska Native	.8%
Chinese	4.1%
Filipino	2.6%
Vietnamese	1.1%
Other Asian/Pacific Islander	3.6%
Other	2.4%

Household Size

1	41.3%
2	33.3%
3	12.2%
4	8.5%
5 or over	4.7%

Who we heard from

Total: N=843

In-person: (N=205)

- Neighborhoods (N=54)
- Businesses and developers (N=45)
- Environmentalists (N=14)
- Youths (N=11)
- Underserved communities (N=81)

Online: (N=638)

- Residential (N=624)
- Business (N=14)

Billing Levels

BILLING LEVEL	CUSTOMERS N=843	OBSERVATIONS
4.9% All Improvements; all cost savings	571/68%	<ul style="list-style-type: none"> • In-person groups voted for the 4.9% increase at a much higher rate. • Customers in most groups voiced the sentiment: “My salary isn’t going up, why are our rates?”
4.3% No Improvements; all cost savings	272/32%	<ul style="list-style-type: none"> • High levels of negative comments around both increases among these customers.
Favorable comments	325 at 4.9%	<ul style="list-style-type: none"> • Support focuses on need for preventative maintenance, investing for the future and population growth.
Either increase is too high	188 at 4.3% 10 at 4.9%	<ul style="list-style-type: none"> • Opposition based on history of high increases, affordability and questions around efficiency and need.

Note: Respondents were asked to vote for 4.9% or 4.3% and then asked to comment on their answers. A very small number <10, said “neither.” Bottom two rows are unaided comments.

4.9% Comments

CATEGORY	NUMBER OF MENTIONS	CUSTOMER COMMENTS
Protect environment and quality of life in growing city	65	<ul style="list-style-type: none">• It's important to invest in health and the environment.• Improvements necessary for growing world-class city.• Happy to pay for changes that mean healthier communities and preparation for climate change.
Save money in the long run	57	<ul style="list-style-type: none">• Hope you use improvements to invest in technology to keep prices lower.• Better to make improvements over time.• A little investment now saves money in the future.
Small difference	57	<ul style="list-style-type: none">• The difference between 4.3 and 4.9 is negligible.• They are not that different, why not get some improvements?• More bang for the buck.
Aging system needs maintenance	48	<ul style="list-style-type: none">• Infrastructure is rotting away.• Maintaining infrastructure requires constant investment.• We have to keep making upgrades.
Improvement important	44	<ul style="list-style-type: none">• Funding improvements is always important.• Responsible improvements are worth paying for.

4.3% Comments

CATEGORY	NUMBER OF MENTIONS	CUSTOMER COMMENTS
Figure out how to control reduce costs	45	<ul style="list-style-type: none"> • Work smarter. • Max your efficiencies. • Quit wasting money. • Talk about improvements to save time and money but costs keep going up. • Control labor costs. • I do not trust SPU to use the additional money with an eye towards efficiency.
Bill is too high	45	<ul style="list-style-type: none"> • Bill is high enough already. • Bill is too high. • Bill needs to be less than this. • Need to reduce bills.
Can't afford the increase	31	<ul style="list-style-type: none"> • My family can't afford a rate hike. • I am on a fixed income. • Incomes aren't increasing at this rate. • Far exceeds COLA increases.
Just deliver the basic services	11	<ul style="list-style-type: none"> • Consider what services are mandatory and eliminate the others. • Just deliver the basic service.
Don't increase rates	11	<ul style="list-style-type: none"> • Don't increase rates. • I don't want to pay any more.